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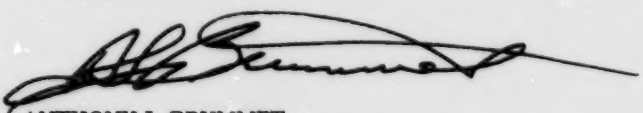
The Honourable
Robert G. Rogers
Lieutenant-Governor of the
Province of British Columbia

May it please Your Honour:

I have the honour to transmit herewith the Annual Report of British Columbia Housing Management Commission for the year ended December 31, 1983.

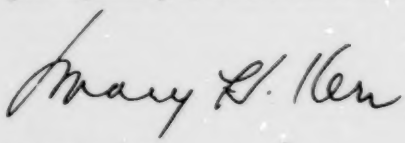


ANTHONY J. BRUMMET
Minister of Lands, Parks and Housing

The Honourable Anthony J. Brummet
Minister of Lands, Parks and Housing
Province of British Columbia
Victoria, British Columbia

Sir:

We have the honour to submit, for your approval, the Annual Report of British Columbia Housing Management Commission covering the period January 1, 1983 to December 31, 1983.

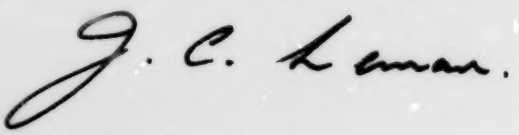


MARY H. KERR
Chairman

General Manager's Report

During 1983, an organizational review of the Commission was conducted which resulted in the restructuring of responsibilities and duties. The major changes initiated have resulted in a much more effective and efficient organization. The number of Commissioners was reduced from nine to five. In Home Office, one branch was eliminated with its workload distributed to the remaining branches: Housing Operations, Finance and Administration, and Personnel and Labour Relations. In the field, one of the Vancouver area Regional Offices was closed with its housing portfolio reallocated to the remaining three lower mainland regions.

The year 1983 was a difficult one but it also held much challenge for the Commission. As General Manager, I would like to take this opportunity to thank the employees of the Commission for their efforts to continue to provide a high level of service and commitment to the residents, applicants and the non-profit sectors we serve and to the portfolio and programs we manage.



J.C. Leman
General Manager

Purpose and Accountability

The British Columbia Housing Management Commission was established as an agency of the Province of British Columbia in 1967 to manage provincial and federal-provincial housing and property. In all its programs and activities, it is accountable to the Honourable Anthony J. Brummet, Minister of Lands, Parks and Housing.

The purposes of the Commission are outlined by Order-in-Council No. 2388 dated September 7, 1978 and are as follows:

A To execute provincial housing policies as directed by the Ministry charged with the administration of the Housing Act (Lands, Parks and Housing)

B To manage provincial and federal-provincial housing and property on behalf of the Ministry

C To administer rent supplement programs of the Ministry in:

1. housing managed by the Commission;
2. housing operated by non-profit societies; and
3. housing owned and operated in the private sector

D To monitor the performance and value of programs under its jurisdiction

E To recommend to the Ministry policy or program changes related to matters under Commission jurisdiction

F To provide the Ministry with housing program services as required

Overseen by a Board of Commissioners appointed by the Lieutenant-Governor in Council upon the recommendation of the Minister, the Chairman is appointed by the Minister from among the Board members. The Chairman and the Board are accountable to the Minister. The Board ensures that the organization fulfills its purposes and does not exceed the powers and duties outlined in its Order-in-Council and hires the General Manager who as the chief executive officer manages the affairs of the Commission.

Three branches have been established within the organization to carry out the day-to-day operations. Together with the General Manager, the Directors of these Branches make up a Management Committee which establishes operating policies and provides leadership and direction to the organization.

The Housing Operations Branch manages the housing and property portfolio under the Commission and undertakes major renovations and other special programs as assigned. Following a decentralized management model there are six regional offices in the Province.

Housing Operations are also responsible for the allocation of applicants to housing units within the portfolio and in designated units in the private rental sector.

The Financial and Administrative Services Branch provide accounting, research, computer and administrative services to the Commission and financial reporting to the Provincial and Federal governments.

The Personnel and Labour Relations Services Branch provides personnel and labour relations services to the organization.

The Rent Supplement Department is responsible for the administration of Rent Supplement and Non-Profit Housing Programs.

At December 31, 1983 the Commission had 233 full-time and part-time employees. Of these 112 were under collective agreement with the Service Employees' International Union (SEIU), 85 were under agreement with the British Columbia Government Employees' Union (BCGEU), 15 were under agreement with Hotel, Restaurant Culinary Employees Bartenders Union (HRCEBU), and 21 were excluded from union contracts.

Operating Policy

The general policy framework within which the Board of Commissioners and staff carry out the purposes of the Commission and conduct Commission business are summarized as follows:

- To allocate housing to low and moderate income families on the basis of need, aiming to achieve a social and economic integration of residents.
- To allocate housing to modest income senior citizens and disabled persons on the basis of need.
- To provide a living environment for residents that is safe, secure, and provides quiet enjoyment.
- To pursue maintenance standards that produce modern, safe, sound, and aesthetic properties.
- To ensure accountability by staff and residents to lease terms and the Residential Tenancy Act.
- To assert positive, fair, and consistent relations with residents and the larger community.
- To foster the idea and practice of local tenant associations.
- To manage public funds conscientiously and economically.
- To inspire professionalism, innovation, and accountability in staff performance.
- To encourage skilled management in the non-profit housing sector.
- To be a cooperative resource in relations with the Ministry of Lands, Parks and Housing and other agencies with which the Commission is associated.

Portfolio and Programs at December 31 1983

	Housing Units		Developments/ Societies	
	1983	1982	**1983**	1982
Property Management Portfolio:				
Section 40 NHA — Regular	**5,603**	5,603	**51**	51
— City of Vancouver	**292**	292	**3**	3
Section 44 NHA	**1,966**	1,966	**44**	44
Wholly Provincial — Projects	**133**	137	**33**	33
— Land Parcels	**—**	—	**10**	10
— The Glenshiel	**74**	77	**1**	1
— Brentwood House	**—**	256	**—**	1
Total	**8,068**	8,331	**142**	143
Rent Supplement Programs:				
Section 44(1)(a)NHA —				
Private	**715**	752	**99**	103
Disabled	**261**	228	**61**	55
City of Vancouver Residences	**168**	168	**2**	2
Section 44(1)(b) NHA —				
Senior Citizens	**5,245**	5,240	**118**	119
High Impact Grants	**787**	1,147	**13**	20
Section 56(1)				
Provincial Rental Assistance Program	**1,689**	1,086	**51**	35
Total	**8,865**	8,621	**344**	334
Other Provincial Programs:				
Consulting Services to Non-Profit Societies				
Rural and Remote Mortgage Program				
GVRD and Co-op Mortgage Programs				
Ray Cam Co-operative Centre				

**Brentwood House was transferred to Pacific Vocational Institute March 31, 1983.*

Portfolio Management
In 1983, the Commission had management responsibility for 7,776 units in 130 developments in 49 municipalities throughout the Province. Within this portfolio, the Commission provides sound, secure and affordable accommodation to persons with housing need.

The portfolio is divided into six regions: Vancouver Burrard, Vancouver Central, Vancouver Fraser, Vancouver Island, Northern B.C. and Southern B.C. The managers in these regions are responsible for all employees, agents, and Commission activities within their region.

Regional organizations are comprised of a Regional Manager, Property Managers, Maintenance Managers and support staff. In the three regions outside the Greater Vancouver regions, a Regional Manager is based in Victoria, Prince Rupert and Penticton. These Managers are also responsible for rent supplement programs and the housing allocation function.

Social integration is a fundamental principle of the Commission housing management. The allocation of applicants in family housing is based on an income mix in which 65% of the units may be allocated to families with income less than $13,000 per annum and 35% to families between $13,000 and $20,000. Applicants with total family income in excess of $20,000 per annum are ineligible.

The selection of residents is based on housing need determined by a point system. Applicants are allotted points for such factors as inadequacies of present accommodation; percentage of income being paid for the accommodation; years of residency in the area. Applicants and tenants who feel aggrieved by staff decisions may appeal them to the Chairman.

Rent Supplement Programs
The majority of the Commission's housing portfolio and programs are funded under rent supplement programs. The Commission administers these federal-provincial programs aimed at maintaining reasonable rents in Commission managed developments, in housing provided by non-profit societies and in designated units in the private sector.

Commission Managed Housing
Under this program applicants are offered two options under the B.C. Rent Scale. They pay no more than 30% of their adjusted gross family income or they can pay market rent for their housing unit. Market rent is the ceiling under either option. Residents who do not pay market rent have their rents supplemented by financial contributions from the Federal and Provincial Governments. All residents have their incomes reviewed annually by the Commission. During 1983 total tenant rents paid to the Commission plus financial contributions by the two levels of government under Sections 40 and 44, National Housing Act, provided the revenue necessary to offset the cost of managing, operating and amortizing this housing portfolio.

Portfolio and Programs at December 31 1983 *(Cont'd.)*

Non-Profit Senior Citizen Housing Sector
Under this program occupants in eligible developments sponsored by non-profit societies are assured that they will pay no more than 30% of their income towards rent.

The Commission involvement is directly with the non-profit society, not the residents. The society is responsible for the preparation and submission to the Commission of all documents relating to individual resident income and changes in tenancy. All residents have their incomes reviewed annually by the non profit society.

For the year ending December 31, 1983 payments totalling $4,758,126 were paid to non-profit societies managing 118 buildings. These rent supplement payments are shared under Section 44(1)(b), National Housing Act by the Federal and Provincial Governments.

Private Housing Sector
In developments that were built under the Assisted Rental Program (ARP) up to 25% of the units may have been designated for use by families and senior citizens with modest incomes chosen from the Commission's applicant list.

Residents of these units accept responsibility for the monthly rent and the Commission makes monthly rent supplement payments directly to them to ensure they pay no more than 30% of their income. These payments are shared by the Federal and Provincial Governments under Section 44(1)(a) National Housing Act. At December 31st, 715 resident units in 99 developments received payments totalling $2,439,070.

Housing for the Disabled
Funds under Section 44(1)(a) are also available to provide rent supplement payments for qualified disabled residents. At December 31st, 261 units were receiving supplements totalling $1,158,084.

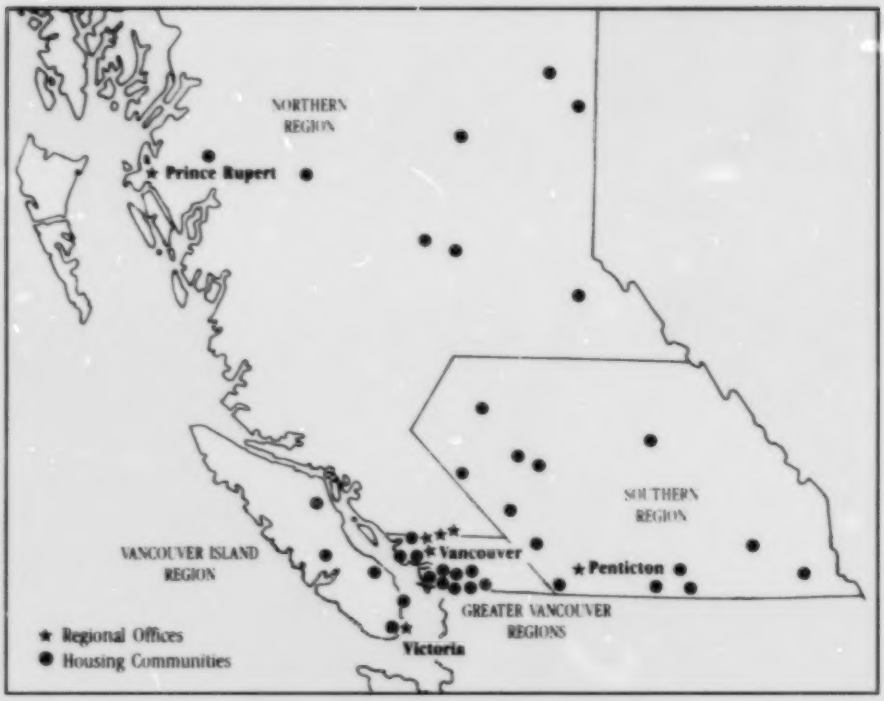
Provincial Rental Assistance Program (PRAP)
This program provides rent supplement payments to assist residents in units constructed under 56.1 National Housing and the Provincial Senior Citizens Rental Housing Construction Program. The rental assistance to qualified residents ensures they pay no more than 30% of their income as rent. At year end there were 1,689 units in 51 buildings.

High Impact Grant Program (HIG)
This grant was designed to assist co-operatives or non-profit societies meet their operating expenses during the first seven to eight years of operation.

Fiscal Programs
Fiscal administration of other programs and projects is carried out by the Commission. Among them are Rural and Remote Housing Program, Co-operative Mortgage and Greater Vancouver Regional District Mortgage Programs.

Property Management Consultant Services
Commission staff continued to provide consultant services to the non-profit societies that received funds under the Provincial Senior Citizen Rental Housing Construction Program.

Housing Communities Under Management



Greater Vancouver	Units
Abbotsford	
Cedarhurst	53 Family
Mackenzie Road	38 Family
Individual House	1 Family
Aldergrove	
Alderhaven	53 Senior
Burnaby	
Cedar Place	90 Family
Douglas Drummond Manor	125 Senior
Hall Towers	214 Senior
Hall Towers Extension	118 Senior
Inman & Lister	16 Family
Irmin & McPherson	6 Family
Laurelyn Place	71 Senior
Stratford Gardens	127 Senior
Individual Houses	5 Family
Coquitlam	
Individual Houses	16 Family
Delta	
Individual Houses	2 Family
Maple Ridge	
Individual House	1 Family
Matsqui	
Marshall Road	11 Family
Mission	
Windebank Village	32 Family
New Westminster	
Ross Tower	101 Senior
Individual House	1 Family
North Vancouver	
Grant McNeil Place	112 Family
Individual Houses	10 Family
Pitt Meadows	
Individual Houses	2 Family
Port Coquitlam	
Individual Houses	2 Family
Powell River	
Individual House	1 Family
Richmond	
Rosewood Village	176 Senior
	138 Family
Individual House	1 Family
Squamish	
Valleycliff	23 Family
Surrey	
Greenbrook	127 Family
North Surrey Lions	
Len Sheppard Manor	102 Senior
Ted Kuhn Tower	248 Senior
Ted Kuhn Tower Extension	189 Senior
Individual Houses	2 Family
Vancouver	
Bauer Villa - Garden Villa	44 Senior
Brant Villa	48 Family
Carolina Court	50 Family
Champlain Place	100 Family
Chimo Terrace	80 Family
Comox Street	59 Family
Culloden Court	44 Senior
	88 Family
Cypress Walk	32 Family
East 7th Avenue	18 Family
8th & Vine	7 Family
Grandview Terrace	100 Senior
	54 Family
Haida Court	14 Family
Killarney Gardens	188 Senior
Little Mountain	20 Senior
	204 Family
MacLean Park	121 Senior
	38 Family
MacLean Park Extension	161 Senior
	139 Family

Nicholson Tower		223 Senior
Orchard Park		56 Senior
		133 Family
Raymur Place		155 Senior
		241 Family
Redwood Mews		50 Family
Rupert Lane		42 Family
Seven Maples - Woodcroft		69 Senior
Skeena Terrace		69 Senior
		165 Family
Steeves Manor		200 Senior
Sunset Towers		501 Senior
Individual Houses		51 Family
West Vancouver		
Sunnyside Manor		61 Senior
Individual House		1 Family
	Total	**5,760 Units**
	Senior	3,496 Units
	Family	2,264 Units

Vancouver Island

	Units
Campbell River	
Robron Village	48 Family
Simms Creek Gardens	50 Family
Langford	
Individual Houses	3 Family
Nanaimo	
Howard Avenue	54 Family
Individual House	1 Family
Port Alberni	
Geo. Dowling Place	16 Family
Gertrude Street	10 Family
Harbour View Manor	11 Family
Red Oaks Manor	12 Family
Ridgeway Manor	16 Family
Saanich	
Battin-Fielding	60 Senior
	19 Family
Edge Place	20 Family
Lakehill Corners	18 Family
Scotia Green	20 Family
1149 Union Street	4 Family
Individual Houses	29 Family
Victoria	
Blanshard Court	166 Family
	18 Senior
Bayview	12 Family
The Glenshiel	74 Senior
Hampton House	81 Senior
Juniper Gardens	12 Family
Cedar Townhouses	47 Family
Individual Houses	2 Family
Total	**763 Units**
Senior	233 Units
Family	530 Units

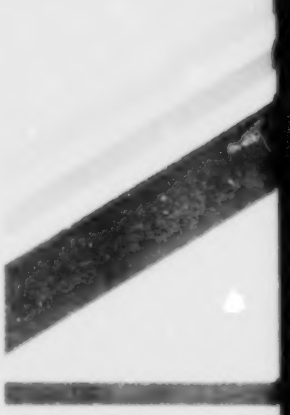
Southern B.C.

	Units
Castlegar	
420-11 Avenue	14 Family
1449 Arrow Lakes Dr.	28 Family
Chase	
Shuswap Babee Lodge	30 Senior
Cranbrook	44 Family
Kamloops	
Brocklehurst	12 Family
Individual Houses	4 Family
Keremeos	
Mountain View Manor	26 Senior
Lillooet	
Red Rock Manor	21 Senior
Merritt	
Trade Winds Terrace	32 Senior
Nelson	
Individual Houses	2 Family
100 Mile House	
Pioneer Haven	16 Senior
Oliver	
Oliver Gardens	11 Family
Penticton	
Penticton & District Retirement Centre	126 Senior
Individual House	1 Family
Princeton	
Tulameen Ave.	15 Family
Revelstoke	
Monashee Court	50 Senior
Sparwood	
Sasko Manor	18 Senior
Winfield	
Cedar Court	30 Senior
Total	**480 Units**
Senior	349 Units
Family	131 Units

Northern B.C.

	Units
Burns Lake	
McKenna Place	40 Family
Dawson Creek	50 Family
Fort St. John	12 Senior
	28 Family
MacKenzie	
Spruce Grove Apts.	30 Family
McBride	
Beaver View Lodge	20 Senior
Ootsa Lake	
Individual House	1 Family
Prince George	
Strathwood Apartments/ Townhouses	6 Senior
	44 Family
Pine View Apartments	12 Family
Vanier Apartments	30 Family
Westwood Court	34 Family
Individual House	1 Family
Prince Rupert	
Cedar Ridge	42 Family
Mariposa Gardens	84 Family
Harbour View Garden	166 Family
Moresby Townhouses	24 Family
Sunset Villa Apts.	37 Senior
Pineridge Terrace	37 Family
Terrace	
The Willows	40 Senior
Vanderhoof	
Douglas Street	34 Family
Individual House	1 Family
Total	**773 Units**
Senior	115 Units
Family	658 Units
GRAND TOTAL:	**7,776 Units***
Senior	4,193 Units
Family	3,583 Units

**Does not include City of Vancouver managed properties.*



1983 Highlights

Personnel and Labour Relations

In October of 1983, the Commission underwent a major downsizing and restructuring. The elimination of various management, clerical and maintenance positions and reorganization of staff has resulted in improved efficiency and productivity. An effective system for recording, reporting and monitoring absenteeism was implemented, and by early fall, all job descriptions had been written and all positions evaluated to assist streamlining of operations.

Staff Training and Development

A Leadership Development Program designed for all employees in leadership positions was introduced in late 1983, and will continue through 1984. Six certificates of Achievement were earned by employees that completed a specified number of in-house and outside courses.

A highly successful Rent Calculation Workshop was co-produced by Rent Supplement, Housing Operations and the Internal Auditor.

Energy Conservation
The Commission continued its commitment to energy conservation in 1983, concentrating on areas where savings could be made from improved maintenance and operating procedures. The Commission is in the process of converting all energy monitoring programs to a computerized information system which will provide data to building managers on a monthly basis.

Fire and Safety Programs
Fire and Safety programs continue to be priority. Fire evacuation plans are in the process of being developed for every building within the Commission's portfolio. The plans will become part of a mass tenant education-through-participation program which will include actual fire drills.

People, Plants and Homes
Overall resident participation in this innovative and successful gardening program remains high at an average of 16% in most of the Province, with an increase to 50% of all residents in Victoria. A junior/senior

1983 Highlights *(Cont'd.)*

gardening link is now well established between 30 grade four students and seniors at two housing developments in Burnaby.

Regional Activities

Continuous changes and improvements to BCHMC projects throughout the Province including the following highlights:

Greater Vancouver Region

- Little Mountain, the Province's oldest public housing development, which involves its residents in renovations, underwent a major upgrading of building systems.
- Brentwood House was transferred from the Commission to the Pacific Vocational Institute on schedule, April 1st, allowing for the smooth transition of residents and employees.
- Tenant Newsletters, meal programs for people just out of hospital, and "Be Well" programs were developed in conjunction with the Ministry of Health for West End seniors at Sunset and Nicholson.
- Following an inspection in the summer of 1983, major grounds repairs and installations were carried out immediately at Greenbrook.

Vancouver Island Region

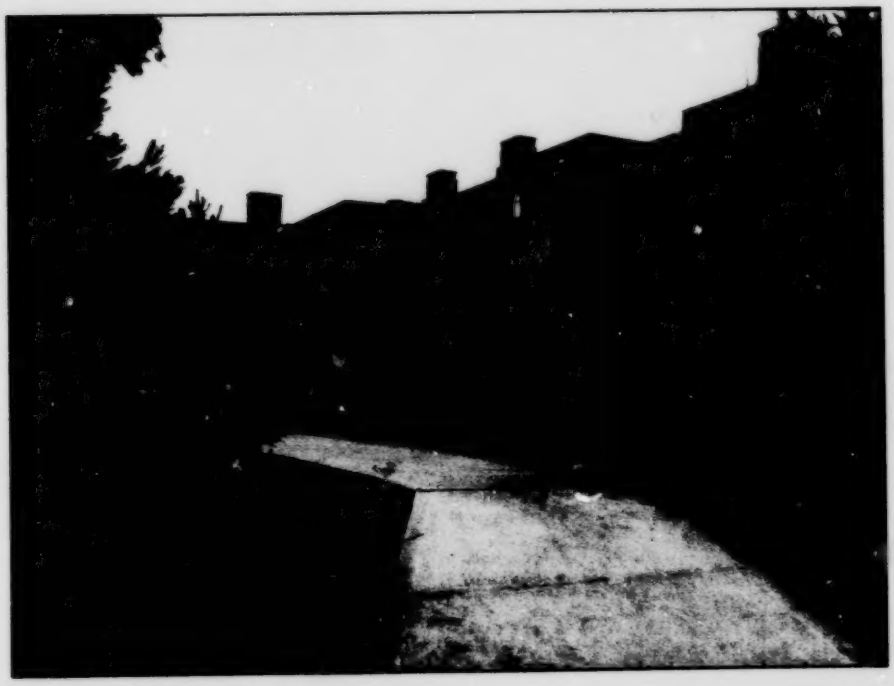
- Highlighting activities in this region was the completion of extensive renovations of the Glenshiel. The building was officially opened by the Ministry in September and now provides accommodation for 74 senior citizens.

Northern Region

- Phase I of major renovations began at the McKenzie townhouses. This will be followed by a restoration of parking lots, sidewalks and the installation of drainage and landscaping in 1984.
- Corrective work was required to remedy a dry rot problem on the decks and some of the walls at Cedar Ridge in Prince Rupert.

Southern B.C.

- The increased allocation of funding and acquisition of housing under the Non-Profit and Disabled Housing Programs had the most significant effect on this region. A substantial increase in staff workload was realized as a result of these programs.



Financial and Administrative Activities

Budget Planning

Revisions to administration, office and accounting systems resulted in improved economy and more effective delivery of services. Excellent staff efforts assisted such projects as a centralized budget control system which is monitored through home office. A new three year budget plan was introduced as well as a Budget Task Force responsible for maintaining simplicity and maximum efficiency of budgeting procedures through 1985.

Research

Extensive research programs were carried out during the year focussing on such areas as energy conservation program evaluation, vacancy trends in BCHMC developments, and comparative characteristics in Canadian social housing. A report on the latter by BCHMC has been published and will be used extensively by professionals throughout the industry.

Computer Services

Successful conversion to a Computerized Applicant Registry System from a manually maintained system resulted in substantial cost savings in both dollars and manpower. Significant savings will also be realized over a two year period as a result of computer programs being implemented in Accounting and Rent Supplement.

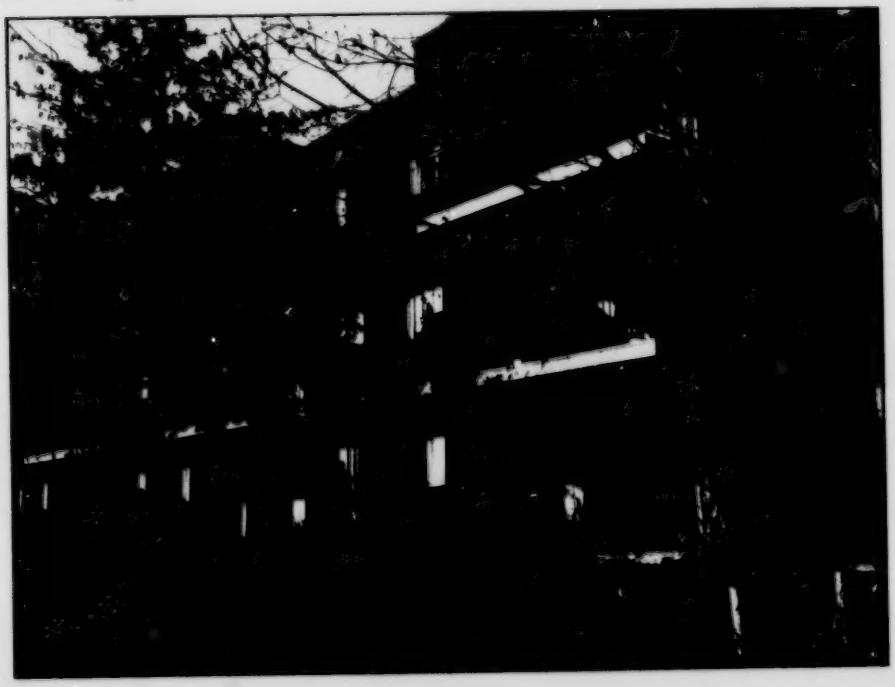
Internal Audits

During the year, 14 High Impact Grant audits were initiated on cooperatives which have or are presently receiving assistance. An income verification audit of the Rural and Remote Program was also started at the request of the Ministry. A report of the major findings and recommendations will be made upon completion of these audits.

Rent Supplement Activities

The number of overall units receiving rent supplements remained stable throughout the year. While the disabled program did not achieve the expected number of units, an increase is expected in 1984. The Provincial Rental Assistance Program continued to grow with many buidings not requiring operating assistance and paying back money at their year ends.

Commission staff continued their role as Property Management Consultants to the non-profit societies by holding the first Rent Supplement Workshop in September in Kamloops and Kelowna. The one-day workshops were well attended by representatives of local non-profit societies. Topics included declarations of income and financial reporting as well as property management items on managing maintenance systems.



Commission Organization

Board of Commissioners

Mary H. Kerr
Chairman

John C. Johnston
Vice Chairman, Deputy Minister of Lands, Parks and Housing

Andrew Armitage
Assistant Deputy Minister of Lands, Parks and Housing

Margaret Cleaveley
Fort St. John

Duncan McDougall
Naramata

Senior Management

J. C. (Ian) Leman
General Manager

Allan V. Robinson
Director, Housing Operations

R. L. (Lin) Matthews
Director, Financial and Administrative Services

Caroline McDonald
Director, Personnel and Labour Relations Services

Regional Managers

Christine Teply
Greater Vancouver Burrard

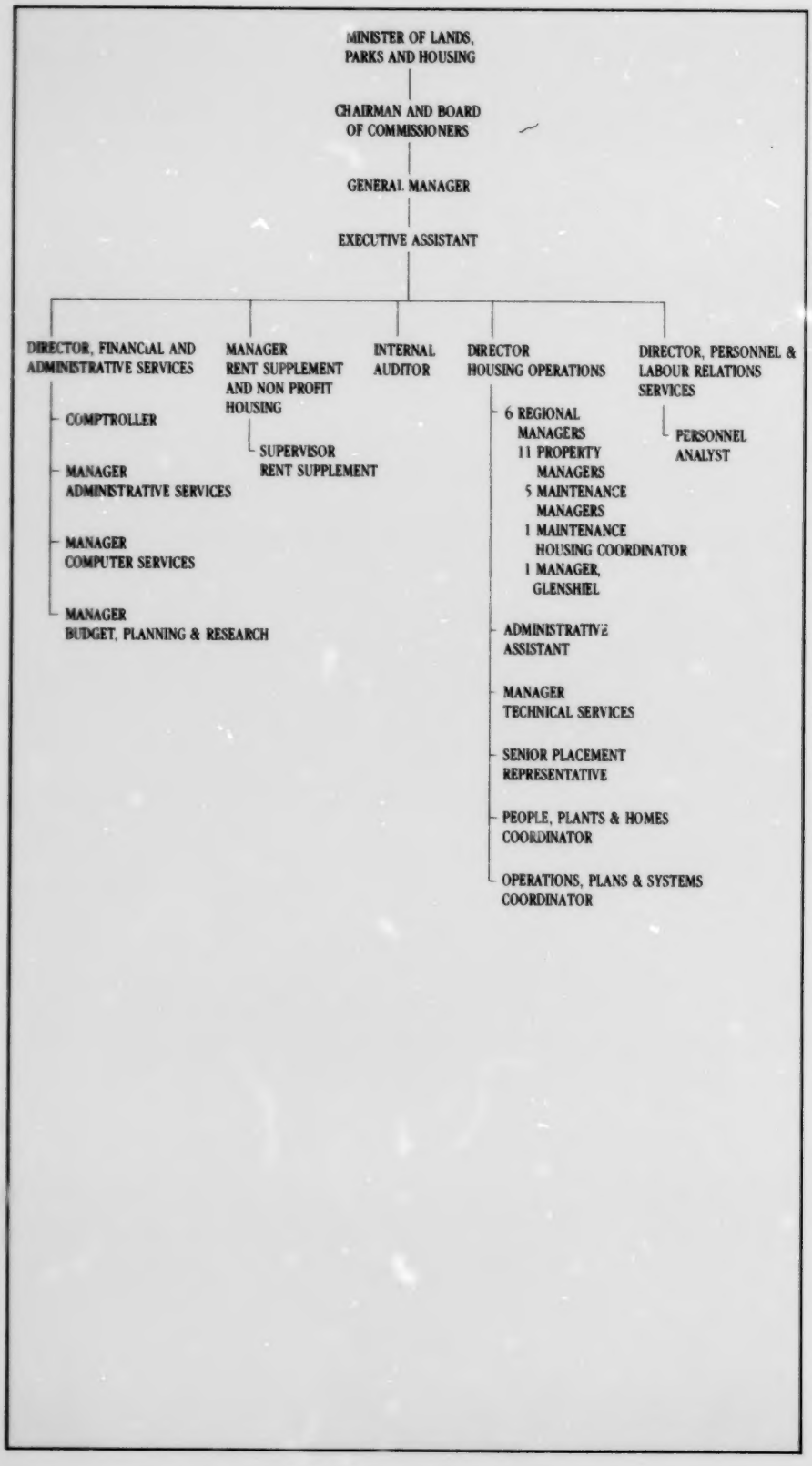
Dorothy I. Wilson
Greater Vancouver Fraser

Catherine Therrien
Greater Vancouver Central

Albert Stein
Vancouver Island Region

Joseph Scott
Northern B.C.

Thomas Proudlock
Southern B.C.



Organization Chart

Financial Statements

Auditor's Report

To the Chairman
British Columbia Housing Management Commission
Vancouver, B.C.

We have examined the combined balance sheet of the Province of British Columbia, projects and programs managed by British Columbia Housing Management Commission as at December 31, 1983 and the combined statements of revenue and expenditure, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the combined financial position of the projects and programs as at December 31, 1983 and the combined results of their operations and changes in their financial position for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

Peat, Marwick, Mitchell & Co.
Chartered Accountants

Vancouver, Canada
April 27, 1984

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Combined Balance Sheet

	1983	1982
Assets		
Cash	$ —	$ 2,436,706
Accounts receivable	**974,576**	356,085
Prepaid expenses and shelter supplement	**1,273,303**	1,241,766
Disaster loss fund (note 3)	**584,864**	546,704
Fixed assets (note 1d)	**82,819**	217,612
Due from Canada Mortgage and Housing Corporation	**3,267,426**	8,780,176
	6,182,988	13,579,049
Liabilities and Province's Account		
Bank indebtedness	**748,634**	—
Accounts payable	**3,425,462**	1,945,104
Amortization payable (note 1b)	**169,921**	8,716,080
Tenants' prepaid rent	**117,089**	270,480
Disaster loss reserve (note 3)	**584,864**	546,704
	5,045,970	11,478,368
Province's account:		
Balance, beginning of year	**2,100,681**	1,077,911
Prior period adjustments (note 4)	**288,172**	(78,813)
Net receipts in respect of working capital and subsidies	**11,485,696**	13,832,078
Net Provincial expenditure	**(12,737,531)**	(12,730,495)
Balance, end of year	**1,137,018**	2,100,681
	$ 6,182,988	$13,579,049

On behalf of the Commission:

Chairman

Member

See accompanying notes.

Combined Statement of Revenue and Expenditure

	1983	1982
Revenue:		
Tenant rent (note 1c)	**$17,176,414**	$16,468,845
Sundry	**83,763**	54,236
	17,260,177	16,523,081
Expenditure:		
Amortization (note 1b)	**14,318,670**	14,318,670
Operating	**10,966,726**	10,949,187
Shelter supplement	**8,598,486**	8,890,525
Maintenance	**3,863,155**	3,823,834
Grants in lieu of taxes (note 5)	**3,424,276**	3,234,126
Administration	**2,601,608**	2,660,350
Modernization and improvement	**1,302,896**	1,558,301
Provincial programs	**1,391,225**	1,297,138
Working capital interest (note 2)	**693,827**	1,399,505
	47,160,869	48,131,636
Interest income (net)	**600,488**	1,101,597
Excess of expenditure over revenue for the year	**29,300,204**	30,506,958
Less Canada Mortgage and Housing Corporation subsidy share (note 1a)	**16,562,673**	17,776,463
Net Provincial expenditure	**$12,737,531**	$12,730,495

See accompanying notes.

Combined Statement of Changes in Financial Position

	1983	1982
Sources of funds:		
Net receipts in respect of working capital and subsidies — Province of British Columbia	**$11,774,378**	$13,832,078
Subsidy receipts — Canada Mortgage and Housing Corporation	**16,302,402**	10,702,268
Decrease in accounts receivable	**—**	44,707
Increase in accounts payable	**1,480,358**	—
Increase in tenants' prepaid rent	**—**	220,125
	$29,557,138	$24,799,178
Application of funds:		
Excess of expenditure over revenue for the year	**29,300,204**	30,506,958
Less:		
Depreciation expense	**(75,581)**	(81,248)
Write-off of fixed assets	**(92,031)**	(128,824)
Amortization credited to Canada Mortgage and Housing Corporation — Section 40	**(5,772,511)**	(5,772,511)
	$23,360,081	$24,524,375
Increase in accounts receivable	**618,491**	—
Increase in prepaid expenses	**31,537**	36,571
Purchase of fixed assets	**32,819**	—
Decrease in accounts payable	**—**	203,982
Decrease in amortization payable	**8,546,159**	216,114
Decrease in tenants' prepaid rent	**153,391**	—
	$32,742,478	$24,981,042
Decrease in funds	**(3,185,340)**	(181,864)
Funds, beginning of year	**2,436,706**	2,618,570
Funds, end of year	**$ (748,634)**	$ 2,436,706
Funds, represented by:		
Cash	**$ —**	$ 2,436,706
Bank indebtedness	**(748,634)**	—
	$ (748,634)	$ 2,436,706

See accompanying notes.

Notes to Financial Statements

1. Significant Accounting Policies

a) Basis of financial statement presentation —
These statements combine five separate financial statements of projects and programs operated by the Province of British Columbia (Ministry of Lands, Parks and Housing) and managed by British Columbia Housing Management Commission, each of which has its own subsidy sharing agreement.

b) Amortization —
These statements do not include the capital cost of the projects, however, amortization in lieu of depreciation and interest on capital costs is payable in part to the Provincial Rental Housing Corporation and in part credited to Canada Mortgage and Housing Corporation based on schedules provided by the participants.

c) Rental Revenue —
Tenant rent revenue represents rent charged to residents, and is determined as the lessor of market rent, or a percentage of the resident's income. Up to September 30, 1983, the percentage was 25%. From that date, the percentage for new tenants is 30%; for existing tenants, the percentage increases in steps over a three year period, starting with 26.5%.

d) Fixed assets —
All purchases are recorded as expenditures, except for computer hardware and software which are recorded at cost as fixed assets and depreciated on the straight line basis over 5 and 3 years respectively. As at December 31, 1983, the Commission was in the process of installing a new computer system. The contract requires successful delivery before full payment is made and title is passed. The total contract amounts to $263,182.

2. Working Capital Interest
The Province of British Columbia, through the Wholly Provincial Projects and Programs account, provides working capital to the projects and programs managed by the Commission, at interest rates agreed to by the participants.

3. Disaster Loss Fund
This fund, financed by the Province of British Columbia and Canada Mortgage and Housing Corporation, provides for claims below the deductible amounts of insured properties and for damages to uninsured items.

4. Prior Period Adjustments

a) Wholly Provincial Projects and Programs:
The prior period adjustment of $288,682 represents the write-up of the Provincial mortgage receivables balance under the Rural and Remote Mortgage Program, in order to achieve consistency with the revised accounting system implemented by Canada Mortgage and Housing Corporation during 1983.

b) Rent Supplement Programs under Section 44(1)(b):
Under agreement between the Province of British Columbia and Canada Mortgage and Housing Corporation, the cost sharing of subsidies between the participants has been revised for prior years by a net adjustment of $510.

5. Grants in Lieu of Taxes
The Commission, on behalf of the Province of British Columbia and Canada Mortgage and Housing Corporation, pays each municipality a grant equivalent to property taxes due for all residential properties and developments managed.

6. Lease Commitments
The Commission has obligations under operating leases for office space for the next five years: $339,000 in 1984, $314,000 in 1985, $302,000 in 1986, $189,000 in 1987, and $49,000 in 1988.

Schedule of Program Subsidies

	1983	1982
Property Management Portfolio:		
Section 40 NHA — Regular	**$10,124,495**	$11,281,988
— City of Vancouver	**1,021,519**	883,434
Section 44 NHA — Regular	**6,898,245**	7,171,364
Wholly Provincial Projects and Land Parcels	**90,565**	(434,362)
	$18,134,824	$18,902,424
Rent Supplement Programs:		
Section 44(1)(a) NHA —		
Private	**2,679,120**	3,003,705
Disabled	**1,266,533**	956,542
City of Vancouver Residences	**385,024**	287,546
Section 44(1)(b) NHA —		
Senior Citizens	**5,148,705**	5,583,229
High Impact Grants	**294,773**	476,374
	$ 9,774,155	$10,307,396
Other Provincial Programs:		
Consulting Services to Non-Profit Societies	**61,368**	41,687
Rural and Remote Mortgage Program	**853,012**	874,644
GVRD and Co-op Mortgage Programs	**32,332**	50,779
Provincial Rental Assistance Program	**444,513**	330,028
	$ 1,391,225	$ 1,297,138
Excess of expenditure over revenue for the year	**$29,300,204**	$30,506,958
Subsidy sharing:		
Canada Mortgage and Housing Corporation	**$16,562,673**	$17,776,463
Province of British Columbia	**12,737,531**	12,730,495
	$29,300,204	$30,506,958

Note: This schedule is not covered by the Auditors' Report.

Addresses of Offices

Home Office
Suite 206
515 West 10th Avenue
Vancouver, B.C. V5Z 4A8
Telephone 873-0313

Regional Offices

Greater Vancouver Burrard
641 Jackson Avenue
Vancouver, B.C. V6A 3B8
Telephone 253-5566

Greater Vancouver Central
2390 Cassiar Street
Vancouver, B.C. V5M 3W9
Telephone 254-6211

Greater Vancouver Fraser
8 - 15355 - 102A Avenue
Surrey, B.C. V3R 7K1
Telephone 585-2321

Southern B.C.
100 - 304 Martin Street
Penticton, B.C. V2A 5K4
Telephone 493-0301

Northern B.C.
15 - 342 Third Avenue West
Prince Rupert, B.C. V8J 3P9
Telephone 627-7501

Vancouver Island
201 - 3440 Douglas Street
Victoria, B.C. V8Z 3L5
Telephone 382-6127

POOR

QUALITY

ORIGINAL